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ALACER GOLD ANNOUNCES A NEW RESERVE FOR ITS GEDIKTEPE PROJECT PROVIDING FUTURE GROWTH

September 13, 2016, Toronto: Alacer Gold Corp. (**"Alacer"** or the **"Corporation"**) **[TSX: ASR** and **ASX: AQG]** is pleased to announce positive results from the Prefeasibility Study ("PFS") establishing a maiden resource and reserve for the 50%[1] owned Gediktepe Project (formerly known as Dursunbey) in Western Turkey.

Rod Antal, Alacer's President & Chief Executive Officer, stated, "We are excited to announce the significant milestone achieved at Gediktepe. The PFS demonstrates that Gediktepe is an economic and technically viable project and establishes it as a valuable part of our portfolio of mining assets.

It is an outstanding result and a credit to our partner, Lidya Mining, and to our team who have converted a grassroots exploration target into a discovery and advanced it to a PFS study, all in the span of just four years. Not only does this achievement illustrate our ability to capture and convert value from exploration, it also demonstrates the great prospectivity in Turkey.

The Gediktepe project has moved into a detailed study phase where we will complete basic engineering and more technical studies. Permitting and some site preparations will be undertaken concurrent with these detailed studies. During this period, the various options for development of Gediktepe will be assessed."

Key Highlights

(all currency in US dollars and all metrics on a 100% basis)

The Gediktepe Project is located in Balıkesir Province, about 370 km west of Ankara and 190 km to the south of Istanbul. Gediktepe will be owned on a 50%/50% basis with our joint venture partner, Lidya Mining, upon completion of the claw back right exercised by Alacer. The estimated claw back cost is $7.1 million at June 30, 2016. Lidya Mining is the operator of Gediktepe.

Gediktepe is a polymetallic orebody that contains economic values for gold, silver, copper and zinc. The sulfide deposit is overlain with oxide ore containing gold and silver which is amenable to heap leaching. Gediktepe will be an open pit mine and the oxide ore will be processed first, providing cash flow for the development and subsequent processing of the more prevalent sulfide ore. The sulfide ore contains gold, silver, copper and zinc and will be processed through a multi-stage flotation circuit producing two marketable concentrates.

Overall Project Economics

- Total payable metals of 400,000 ounces of gold, 8 million ounces of silver, 315 million pounds of copper and 780 million pounds of zinc
- Life-of-mine ("**LoM**") production over 12 years of 1.8 million ounces on a Gold Equivalent Ounce[2] ("**AuEq**") basis
- Pre-production capital expenditure of $120 million
- An additional $126 million in project capital required for the sulfide ore flotation plant and related infrastructure

[1] . Gediktepe will be owned on a 50%/50% basis with our joint venture partner, Lidya Mining, upon completion of the claw back right exercised by Alacer.

[2] Gold Equivalent Ounce (AuEq) is a non-IFRS measure with no standardized definition under IFRS which converts non-gold production into gold equivalent ounces. Calculation of AuEq converts payable metals into revenue using metal prices of $1,250 per ounce for gold, $18.25 per ounce for silver, $2.75 per pound for copper, $1.00 per pound for zinc, and then the total revenue is divided by the gold price of $1,250 per ounce.

- Project after-tax net present value at 5% ("**NPV**") is $475 million
- Project after-tax, unlevered internal rate of return ("**IRR**") of 47%
- Project payback achieved in 2.5 years from start of production
- After-tax free cash flow of $745 million generated over the LoM
- LoM average costs on a AuEq basis:
  - Total Cash Costs[3] of $613 per ounce AuEq
  - All-in Sustaining Costs[2] of $625 per ounce AuEq
  - All-in Costs[2] of $759 per ounce AuEq

Oxide Ore Overview

- Oxide ore processing of 3,000 tonnes per day for over three years at a conventional heap leach facility
- LoM oxide ore production of 300,000 ounces AuEq (250,000 ounces of gold and 3.6 million ounces of silver)
- Oxide Proven and Probable Reserves of 3.2 million tonnes with an average gold grade of 2.95 gpt and an average silver grade of 77.7 gpt
  - Oxide Measured and Indicated Resources[4] of 3.8 million tonnes with an average gold grade of 2.60 gpt (320,000 ounces gold contained) and an average silver grade of 69.0 gpt (8.5 million ounces silver contained)
- Oxide capital expenditure of $111 million
- Oxide LoM average costs on a AuEq basis:
  - Total Cash Costs[2] of $387 per ounce AuEq
  - All-in Sustaining Costs[2] of $387 per ounce AuEq
  - All-in Costs[2] of $763 per ounce AuEq

Sulfide Ore Overview

- Sulfide processing of 6,500 tonnes per day over a 10-year period utilizing two 4 stage flotation circuits to produce a copper concentrate and a zinc concentrate
- LoM sulfide production of 700 million pounds on a Copper Equivalent[5] ("**CuEq**") basis (315 million pounds of copper, 780 million pounds of zinc, 150,000 ounces of gold and 4.6 million ounces of silver)
- Sulfide Proven and Probable Reserves of 21.7 million tonnes of ore grading 0.99% copper, 2.35% zinc, 0.93 gpt gold and 35.3 gpt silver
- Sulfide Measured and Indicated Resources[3] of 32.2 million tonnes with average grades of 0.90% copper (642 million pounds copper contained), 1.93% zinc (1,370 million pounds zinc contained), 0.77 gpt gold (800,000 ounces gold contained) and 29.5 gpt silver (30.5 million ounces silver contained)
- Sulfide capital expenditure of $135 million which includes $9 million in pre-production capital, $104 million spent during the first two years of production and $22 million in sustaining capital
- Sulfide LoM average costs on a CuEq basis:
  - Total Cash Costs[2] of $1.45 per pound CuEq
  - All-in Sustaining Costs[2] of $1.48 per pound CuEq
  - All-in Costs[2] of $1.67 per pound CuEq

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[3] Total Cash Costs, All-in Sustaining Costs, and All-in Costs are non-IFRS financial performance measures with no standardized definitions under IFRS. For further information and a detailed reconciliation, please see the "Non-IFRS Measures" section of the Corporation's MD&A for the three months ended June 30, 2016.

[4] Mineral Resources are inclusive of Mineral Reserves.

[5] Copper Equivalent (CuEq) is a non-IFRS measure with no standardized definition under IFRS which converts non-copper production into copper equivalent pounds. Calculation of CuEq converts payable metals into revenue using metal prices of $1,250 per ounce for gold, $18.25 per ounce for silver, $2.75 per pound for copper, $1.00 per pound for zinc, and then the total revenue is divided by the copper price of $2.75 per pound.

An updated National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**") compliant Technical Report on the Gediktepe Project has been filed on www.sedar.com and on the Australian Securities Exchange simultaneously with this announcement.

Gediktepe Overview

The Gediktepe deposit was discovered in April 2013 with the second drill hole (DRD-002) intersecting 26.5m at 7.9g/t gold and 77g/t silver from surface[6]. Oxide mineralization is enriched in gold and silver, whereas sulfide mineralization includes gold, silver, copper and zinc. The deposit continues to be open at depth and along strike.

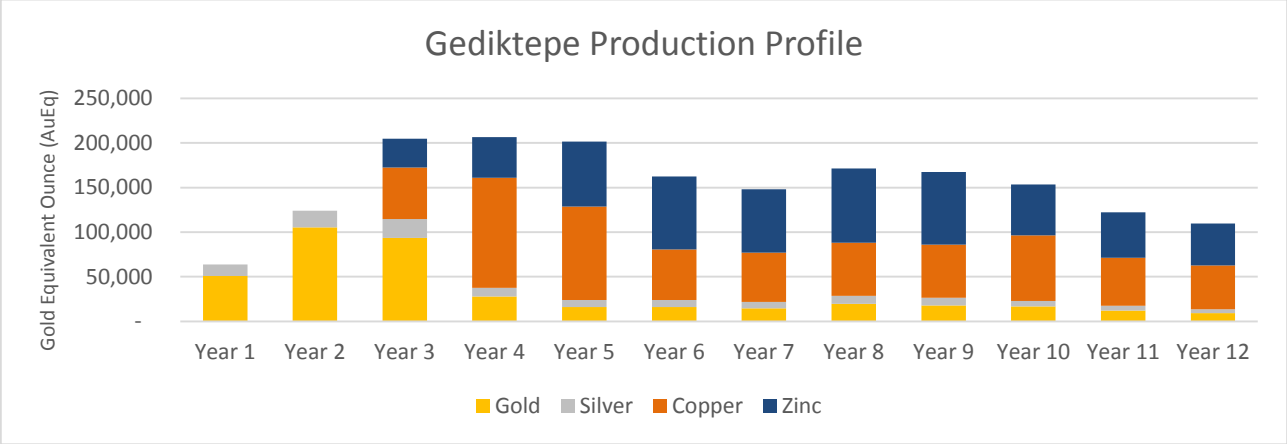
Production and Cost Summary

Gediktepe will be an open pit mine and is well serviced being close to existing infrastructure and connects to the national power grid. Production at Gediktepe will start with the processing of oxide ores using a conventional heap leach and Merrill Crowe process (gold and silver precipitation by zinc). The Merrill Crowe plant recovers more silver than a carbon adsorption process and is appropriate for this deposit due to the high silver content in the oxide ores. Average life-of mine recoveries for the oxide ore is 83% for gold and 45% for silver.

Production will transition from oxide processing to sulfide processing in year 3 of the operation. Sulfide ore processing will be via two 4 stage flotation circuits, one for copper recovery and one for zinc recovery. The flotation circuits will produce concentrates that will be shipped offsite for processing through copper and zinc smelters. Metallurgical tests for the sulfide flotation of Gediktepe ores yielded recoveries in copper concentrate of 69% for copper, 17% for gold and 12% for silver and recoveries in zinc concentrate of 82% for zinc, 16% for gold and 22% for silver.

[6] See Alacer announcements "Alacer Announces Exploration Results in Turkey", dated September 14, 2014 and February 24, 2014, on the Corporation's website at www.alacergold.com, on SEDAR at www.sedar.com or on ASX at www.asx.com.au.

The following is a LoM production profile on an AuEq basis.



The table below provides a summary of the estimated **capital costs for the Gediktepe Project**.

Project Area	US$ millions (100%)
Oxide Processing Facility	
Plant	$46
Infrastructure	$35
Geotechnical and Project Engineering	$7
Private Land Purchase	$2
Pre-Production Mining	$3
Contingency	$18
Oxide Capital	**$111**
Sulfide Processing Facility	
Plant	$81
Infrastructure	$30
Contingency	$24
Sulfide Capital	**$135**
TOTAL PROJECT CAPITAL	**$246**

Rounding differences will occur

Project capital outlined above does not include reclamation costs that total $23 million and occur in years five and thirteen.

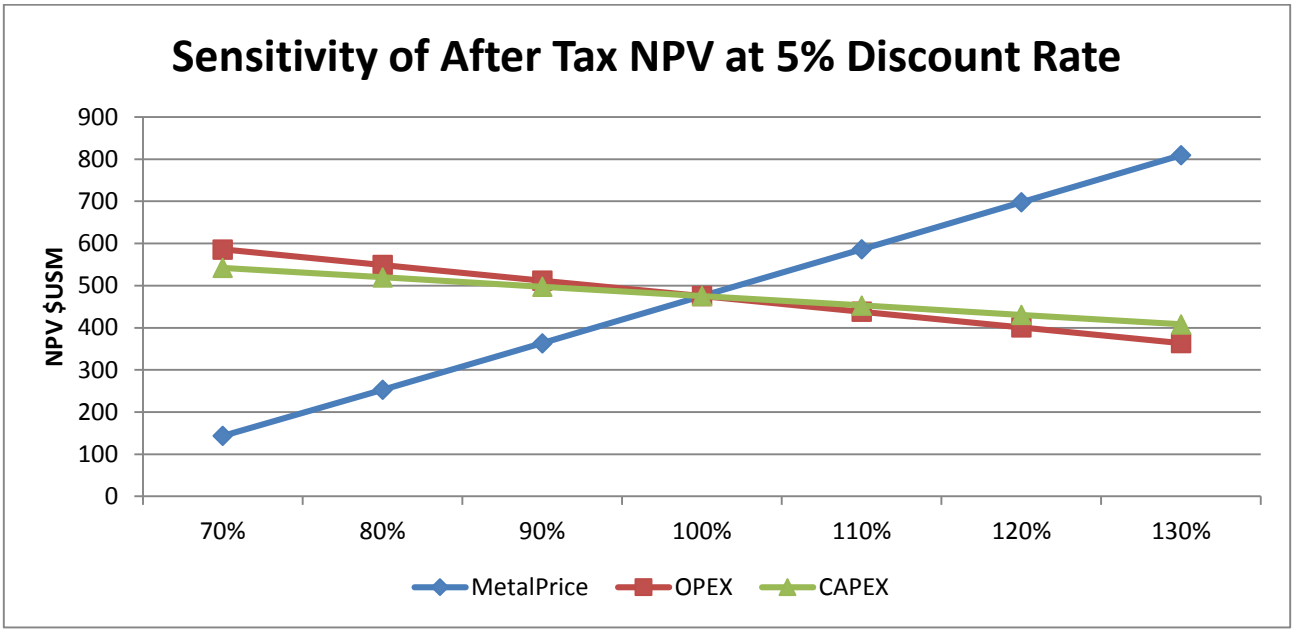
Unit Cost Metrics (Life-of-Mine Average)		
Mining	per tonne mined	$1.45
Oxide Ore Processing	per tonne oxide processed	$9.51
Sulfide Ore Processing	per tonne sulfide processed	$11.88
Site Support Costs	per tonne total processed	$7.45
Offsite Costs	per tonne total processed	$15.71

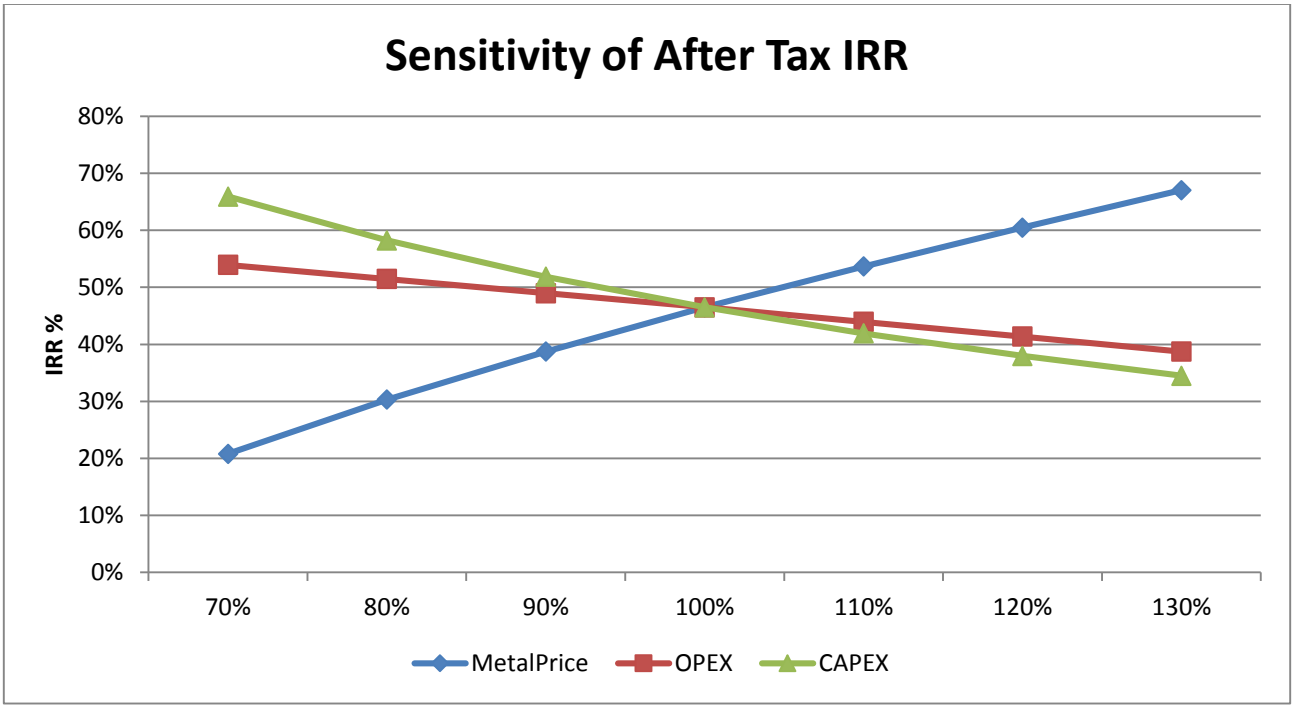
Financial Summary

The economic analysis was predicated on the capital and operating costs summarized above and are based on the following parameters and are estimated in fourth quarter 2015 US$:

- Gold price of $1,250 per ounce;
- Silver price of $18.25 per ounce;
- Copper price of $2.75 per pound;
- Zinc price of $1.00 per pound; and
- US$/Turkish Lira exchange rate: 3.0.

The project remains economically feasible over the entire range of the sensitivity analysis. Financial results appear to be most sensitive to metal prices and least sensitive to changes in operating cost. Spider graphs depicting the results on project NPV and IRR by varying the OPEX, CAPEX and metal price inputs are provided below.





The following is a sensitivity table of discount rates used to calculate after tax NPV.

Discount Rate	NPV (US$M)
5.0%	$475
7.5%	$382
10.0%	$309

Permitting

The Environmental Impact Assessment ("**EIA**") permit was received in July 2016. With receipt of the EIA, work has now commenced on securing the additional necessary Forestry permits before a construction decision can be made.

Next Steps

The PFS has demonstrated that the Gediktepe Project is technically and financially feasible. The Project will now move into a detailed study phase where technical work will continue to advance along with basic engineering. During this next phase, necessary land use permits will be secured and financing options will be considered. A key component of this phase will be the creation of the development schedule including key milestones.

Maiden Mineral Resource and Mineral Reserve Estimates

The appendices to this announcement provide information on the data, assumptions and methodologies underlying these estimates. Further information is provided in the Technical Report on the Gediktepe Project filed simultaneously with this announcement.

The updated Mineral Reserves referenced in this press release have been subjected to a PFS in which open pit designs and a mine production schedule were developed. The PFS contemplates oxide ore processing by heap leach and sulfide ore processing by flotation. The PFS finds that the recovery of metals is technically and financially feasible, generating positive returns on plant and infrastructure investments.

Mineral Resources for the Gediktepe Deposit (As of June 1, 2016) (100% Basis)

			Head Grades				Contained Metal			
Material Type Classification	NSR Cutoff $/t	Tonnages ktonnes	Au gm/t	Ag gm/t	Cu %	Zn %	Au koz	Ag koz	Cu klb	Zn klb
Oxides										
Measured	$11.70	1,722	2.645	66.5	0.12	0.16	146.4	3,680		
Indicated	$11.70	2,110	2.561	71.0	0.18	0.35	173.7	4,817		
Meas+Ind.	$11.70	3,832	2.599	69.0	0.15	0.26	320.2	8,497		
Inferred	$11.70	213	1.574	63.1	0.13	0.17	10.8	432		
Sulfides										
Measured	$15.67	12,027	0.777	28.5	1.00	1.89	300.4	11,030	263,824	501,133
Indicated	$15.67	20,180	0.773	30.1	0.85	1.95	501.5	19,506	378,158	867,540
Meas+Ind.	$15.67	32,207	0.774	29.5	0.90	1.93	802.0	30,536	641,982	1,368,673
Inferred	$15.67	1,685	0.807	31.7	0.98	1.80	43.7	1,719	36,256	66,866
Oxides+Sulfides										
Measured	11.70/15.67	13,749	1.011	33.3	0.89	1.67	446.9	14,710	263,824	501,133
Indicated	11.70/15.67	22,290	0.942	33.9	0.79	1.80	675.3	24,323	378,158	867,540
Meas+Ind.	11.70/15.67	36,039	0.968	33.7	0.82	1.75	1,122.1	39,033	641,982	1,368,673
Inferred	11.70/15.67	1,898	0.893	35.3	0.88	1.62	54.5	2,151	36,256	66,866

Note: Mineral Resources are inclusive of Mineral Reserves. Mineral Resources are shown on a 100% basis, of which Alacer will own 50%. The key assumptions, parameters, and methods used to estimate the Mineral Resources and Mineral Reserves are provided in the appendices to this announcement and the NI 43-101 Technical Report filed simultaneously with this announcement. We are not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed. Rounding differences will occur.

Mineral Reserves for the Gediktepe Deposit (As of June 1, 2016) (100% Basis)

Classification	Cutoff NSR $/Tonne	Oxide Mineral Reserves					Payable Metal			
		Oxide Ktonnes	Gold gm/t	Silver gm/t	Copper %	Zinc %	Gold Kozs	Silver Kozs	Copper Mlbs	Zinc Mlbs
Proven	15.16	1,456	2.98	74.7	0.12	0.17	118.0	1,541.4		
Probable	15.16	1,767	2.93	80.3	0.18	0.35	133.6	2,010.9		
Proven+Probable	15.16	3,223	2.95	77.7	0.15	0.27	251.6	3,552.3		

Classification	Cutoff NSR $/Tonne	Sulfide Mineral Reserves					Payable Metal			
		Sulfide Ktonnes	Gold gm/t	Silver gm/t	Copper %	Zinc %	Gold Kozs	Silver Kozs	Copper Mlbs	Zinc Mlbs
Proven	14.55	10,425	0.84	31.0	1.04	2.05	64.3	1,924.6	160.2	326.6
Probable	14.55	11,267	1.00	39.3	0.93	2.63	83.4	2,724.8	154.6	452.6
Proven+Probable	14.55	21,692	0.93	35.3	0.99	2.35	147.7	4,649.4	314.8	779.2

Classification	Cutoff NSR $/Tonne	TOTAL MINERAL RESERVES					Payable Metal			
		Total Ktonnes	Gold gm/t	Silver gm/t	Copper %	Zinc %	Gold Kozs	Silver Kozs	Copper Mlbs	Zinc Mlbs
Proven	15.16/14.55	11,881	1.11	36.3	0.93	1.82	182.3	3,466.0	160.2	326.6
Probable	15.16/14.55	13,034	1.26	44.9	0.83	2.32	217.0	4,735.6	154.6	452.6
Proven+Probable	15.16/14.55	24,915	1.19	40.8	0.88	2.08	399.3	8,201.7	314.8	779.2

Note: Mineral Reserves are shown on a 100% basis, of which Alacer will own 50%. The Mineral Reserves methodology, cut-off grades, and the key assumptions, parameters, and methods used to estimate the Mineral Resources and Mineral Reserves are provided in the appendices to this announcement and the NI 43-101 Technical Report filed simultaneously with this announcement. We are not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning the estimates in this announcement to apply and have not materially changed. Rounding differences will occur.

About Alacer

Alacer is a leading intermediate gold mining company, with an 80% interest in the world-class Çöpler Gold Mine in Turkey operated by Anagold Madencilik Sanayi ve Ticaret A.S. ("**Anagold**"), and the remaining 20% owned by Lidya Madencilik Sanayi ve Ticaret A.S. ("**Lidya**"). The Corporation's primary focus is to leverage its cornerstone Çöpler Mine and strong balance sheet to maximize portfolio value, maximize free cash flow, minimize project risk and, therefore, create maximum value for shareholders.

The Çöpler Mine is located in east-central Turkey in the Erzincan Province, approximately 700 miles southeast from Istanbul, Turkey and 340 miles east from Ankara, Turkey's capital city.

Alacer is actively pursuing initiatives to enhance value beyond the current mine plan:

- Çöpler Oxide Production Optimization – expansion of the existing heap leach pad to 58 million tonnes continues to advance. All required land use permits for the Heap Leach Pad Phase 4 ("**HLP4**") expansion have been received. The Corporation continues to evaluate opportunities to optimize and extend oxide production beyond the current reserves, including a new heap leach pad site to the west of the Çöpler Mine.

- Çöpler Sulfide Project – the Sulfide Project will deliver long-term growth with robust financial returns and adds over 20 years of production at Çöpler. The Sulfide Project will bring Çöpler's remaining life-of-mine gold production to 4 million ounces at All-in Sustaining Costs[3] averaging $645 per ounce. The Environmental Impact Assessment and all required land use permits for construction have been approved. Detailed information regarding the Çöpler Sulfide Project can be found in the Technical Report dated June 9, 2016 entitled "Technical Report on the Çöpler Mine and Çöpler Sulfide Expansion Project" ("**the Updated Technical Report**") available on SEDAR at www.sedar.com and on the Corporation's website.

- The Corporation continues to pursue opportunities to further expand its current operating base and to become a sustainable multi-mine producer with a focus on Turkey. The systematic and focused exploration efforts in the Çöpler District, as well as in other regions of Turkey are progressing. Çakmaktepe Southeast, Çakmaktepe East, Çakmaktepe North and Bayramdere are the main focus in the Çöpler District, which are shallow, oxide targets with favorable metallurgy and have the potential to add oxide production within the next two years. In the region, Gediktepe Project has advanced with a maiden resource and reserve released in third quarter 2016 and development options are being evaluated.

Alacer is a Canadian corporation incorporated in the Yukon Territory with its primary listing on the Toronto Stock Exchange. The Corporation also has a secondary listing on the Australian Securities Exchange where CDIs trade.

Cautionary Statements

Except for statements of historical fact relating to Alacer, certain statements contained in this press release constitute forward-looking information, future oriented financial information, or financial outlooks (collectively "forward-looking information") within the meaning of Canadian securities laws. Forward-looking information may be contained in this document and other public filings of Alacer. Forward-looking information often relates to statements concerning Alacer's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts.

Forward-looking information includes statements concerning, among other things, preliminary cost reporting in this document; production, cost and capital expenditure guidance; ability to expand the current heap leach pad, development plans for processing sulfide ore at Çöpler; results of any gold reconciliations; ability to discover additional oxide gold ore, the generation of free cash flow and payment of dividends; matters relating to proposed exploration, communications with local stakeholders and community relations; negotiations of joint ventures, negotiation and completion of transactions; commodity prices; mineral resources, mineral reserves, realization of mineral reserves, existence or realization of mineral resource estimates; the development approach, the timing and amount of future production, timing of studies, announcements and analysis, the timing of construction and development of proposed mines and process facilities; capital and operating expenditures; ability to draw under the credit facility and satisfy conditions precedent including execution of security and construction documents; economic conditions; availability of sufficient financing; exploration plans; receipt of regulatory approvals and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, geopolitical, regulatory and political matters that may influence or be influenced by future events or conditions.

Such forward-looking information and statements are based on a number of material factors and assumptions, including, but not limited in any manner to, those disclosed in any other of Alacer's filings, and include the inherent speculative nature of exploration results; the ability to explore; communications with local stakeholders and community and governmental relations; status of negotiations of joint ventures; weather conditions at Alacer's operations, commodity prices; the ultimate determination of and realization of mineral reserves; existence or realization of mineral resources; the development approach; availability and receipt of required approvals, titles, licenses and permits; sufficient working capital to develop and operate the mines and implement development plans; access to adequate services and supplies; foreign currency exchange rates; interest rates; access to capital markets and associated cost of funds; availability of a qualified work force; ability to negotiate, finalize and execute relevant agreements; lack of social opposition to the mines or facilities; lack of legal challenges with respect to the property of Alacer; the timing and amount of future production and ability to meet production, cost and capital expenditure targets; timing and ability to produce studies and analysis; capital and operating expenditures; economic conditions; availability of sufficient financing; the ultimate ability to mine, process and sell mineral products on economically favorable terms and any and all other timing, exploration, development, operational, financial, budgetary, economic, legal, social, geopolitical, regulatory and political factors that may influence future events or conditions. While we consider these factors and assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

You should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are only predictions based on our current expectations and our projections about future events. Actual results may vary from such forward-looking information for a variety of reasons including, but not limited to, risks and uncertainties disclosed in Alacer's filings at www.sedar.com and other unforeseen events or circumstances. Other than as required by law, Alacer does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

For further information on Alacer Gold Corp., please contact:

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Appendix 1

Basis for Production Targets and Forecast Financial Information

The production targets in this announcement are underpinned solely by Probable Reserves and are based on Alacer's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions.

The estimated Mineral Reserves and Mineral Resources underpinning the production targets have been prepared by a competent person or persons in accordance with the requirements of the JORC Code, as specified in the Appendix 2 - JORC Code Table 1.

The material assumptions which support the Probable Reserves, the production targets and the forecast financial information derived from the production targets are disclosed in the PFS and in the body of this announcement.

All forecast financial information in this announcement has been derived from the production targets set out in this announcement. Alacer is satisfied that it has a reasonable basis for making the forward-looking statements in this announcement, including with respect to production targets and forecast financial information. In particular, given Alacer's financial position and market capitalization relative to its share of the funding requirement for the Gediktepe project, Alacer believes funding will be available when required by the development timetable for the project.

Qualified Person Statement

All Mineral Reserves and Mineral Resources referenced in this announcement are estimated in accordance with NI 43-101 standards and the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. While terms associated with various categories of "Mineral Reserve" or "Mineral Resource" are recognized and required by Canadian regulations, they may not have equivalent meanings in other jurisdictions outside Canada and no comparison should be made or inferred. Actual recoveries of mineral products may differ from those estimated in the Mineral Reserves and Mineral Resources due to inherent uncertainties in acceptable estimating techniques. In particular, Inferred Mineral Resources have a great amount of uncertainty as to their existence, economic and legal feasibility. **It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.** Investors are cautioned not to assume that all or any part of the Mineral Resources that are not Mineral Reserves will ever be converted into Mineral Reserves.

The Mineral Resources and Mineral Reserves disclosure in this announcement was estimated and approved by Mr. John Marek, SME Registered Member, President and Senior Mining Engineer of Independent Mining Consultants, Inc..

The information in this announcement which relates to the Mineral Resources estimate and Ore Reserves are based on, and fairly represents, the information and supporting documentation prepared by Mr. Marek and he has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and are Qualified Persons pursuant to NI 43-101.

The scientific and technical information in this announcement is based on information compiled by John M. Marek, PE, who is an independent consultant. Mr. Marek has sufficient experience with respect to the

technical and scientific matters set forth above to be a "qualified person" for the purposes of NI-43-101 in the areas of competency for Geology, Resource Modeling, Engineering and Mine Design.

Mr. Marek consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Summary for the purposes of ASX Listing Rules 5.8 and 5.9

Please also refer to the JORC Code Table 1 contained in Appendix 2 to this announcement for information relating to the estimates of Ore Reserves and Minerals Resources for the Gediktepe Project, and a copy of which can be found on www.sedar.com, the Australian Securities Exchange and on our website www.alacergold.com.

Geology and Geological Interpretation
The Gediktepe project is a massive sulfide hosted in metamorphic schist units. The upper portion of the deposit has been oxidized by surface and ground water. The oxide zone is nearly void of base metals. The sulfide zone is polymetallic with economic values of zinc, copper, gold and silver. The major economic minerals are sphalerite and chalcopyrite. Pyrite is present throughout.

Drilling completed through August 5, 2015 was used to generate the geologic model and estimate mineral resources. The mineral resource is based on a combination of Reverse circulation (RC) and diamond core drilling for a total of 487 holes. RC drilling was utilized for 184 holes and the remaining 303 holes were by diamond drilling.

Mineralized bodies strike to the northeast and dip to the northwest at about 20 degrees. Mineralization resides primarily within the Chlorite-Sericite Schist. Where oxidized, gold and silver remains within iron oxide gossan. For the sulfide zone, massive pyrite forms lenses containing sphalerite, terahedrite, chalcopyrite and galena.

The geologic model contains various schist units and ore types used within the resource model to define grade boundaries. The geologic and resource model used both the RC drilling and core holes to model boundaries and estimate metal grade.

Drilling Techniques
Drilling is primarily vertically oriented holes with a limited number of high angle drill holes. Approximately 38% of the drilling was RC with 62% diamond drill core. Drill hole spacing in Gediktepe varies from 25 m to 50 m centres. The central portion of the mineralized body is drilled at 25 m spacing with outer regions drilled to 50 m centres (refer to "Diagrams" in Section 2 of JORC Table 1 showing hole collar map). There was a total of 57,536 m of drilling used in the resource model.

Diamond drilling was carried out using HQ and PQ sized equipment with standard tube. For RC drilling, a face-sampling bit (121mm) was used.

Sampling and Sub-sampling
Diamond drill core was sampled as half core at 1 to 2m intervals to geological contacts.

RC chip samples were collected in bags and chip box trays at 1 and 2m intervals. In areas expected to be waste, samples were combined into 2m intervals. RC samples were collected at the rig using rotary splitters.

Sample Analysis Methods
Drill hole samples were sent off site to a recognized and independent analytical laboratories for analyses.

Drill samples collected in 2013 were sent to the SGS laboratory in Ankara. In 2014 and 2015, samples were prepared and analyzed at ALS İzmir, Turkey. All analyses for gold were undertaken via fire assay. A 33 element assay suite including Ag, Cu, Pb, and Zn was completed for each sample by inductively coupled plasma (ICP).

Mineral Resources

Estimation Methodology
Block grade estimation utilized ordinary linear kriging, respecting domain boundaries defining rock types, grade populations and oxidation surface. Modeling parameters were setup to account for extreme grade values, rotation of the mineralized zones and selected mine equipment capability. Reported Mineral Resources contain no allowances for unplanned dilution, or mining recovery.

Mineral Resources Classification
Mineral Resources were classified based on the number of composites used to estimate a block, the average distance between the block center and all the composites used to estimate the block.

Indicated Mineral Resources required blocks to be estimated with four or more composites and having an average distance to the closest composite less than 75 meters. A block was also indicated if the block was within the sulfide mineralized unit with three composites used during the estimation and less than 75 meters to the closest composite. Measured blocks required gold grade estimation using the maximum number of composites and the average distance to the closet composite of 35 meters or less.

Reasonable Prospects of Eventual Economic Extraction
To meet the reasonable prospects of eventual economic extraction criteria for reporting resources, Mineral Resources are tabulated within a floating cone algorithm using a gold price of $1,200/oz, $18/oz for silver, $3.00/lb copper and $1.20/lb for zinc. Process recoveries and concentrate quality are based on metallurgical testing and judgement regarding the performance of a full scale plant. The metallurgical recoveries used for the floating cone inputs are shown in the table below and vary by grade, process, and concentrate.

Process Recoveries for Floating Cone Input	
Oxide Ore	
Gold: 65.921% *(Au grade g/t)^.2314 (87.5% max)	
Silver: 45%	
Sulfide Ore	
Metal Recovery to Copper Concentrate:	*Metal Recovery to Zinc Concentrate:*
Copper: 66%	Zinc: 84%
Gold: 32%	Gold: 0%
Silver: 17%	Silver: 17%

Cut-offs vary by processing method. The oxide cutoff grades were based on the income net of refining of $11.70/tonne combining the values of gold and silver. Sulfide cutoff grades for the resource were based on a net smelter return (NSR) of $15.67/t combining the benefits of gold, silver, copper, and zinc.

Processing costs used were $6.92/t in oxide and $10.89/t for sulfide; a G&A cost of $4.78/t of ore processed was also applied. A mining cost of $1.47/t was used as input to the floating cone algorithm. Mineral Resources are reported inclusive of Ore Reserves.

Ore Reserves

Material Assumptions for Ore Reserves

The Ore Reserves were estimated as part of a PFS with all material assumptions being documented in this release and in the JORC Code Table 1 contained in Appendix 2 of this announcement. All operating and capital costs as well as revenue streams were included in the PFS financial model. The PFS finds that the recovery of metals is technically and financially feasible, generating positive returns on plant and infrastructure investments.

Ore Reserves Classification

Ore Reserves are estimated on the basis of detailed design and scheduling of the Gediktepe open pit. The pit boundaries were guided by the results of multiple applications of the floating cone algorithm. The pit shell is estimated using metal values of $1,000/oz for Au, $2.50/lb for Cu, $15.00/oz for Ag, and $1.00/lb for Zn. These metal values were then varied by revenue factors ranging from 0.4 to 1.4 in order to find the preferred pit size and geometry to use as a basis for detailed design.

All of the Ore Reserves are derived from Measured and Indicated Mineral Resources. All Inferred Mineral Resources are considered as waste.

Mining Method

The Gediktepe deposit will be mined by conventional open pit hard rock mining methods. Polimetal currently plans to utilize a contract mining company to move the ore and waste from the mine.

Ore Processing

Oxide ore is processed via heap leaching and sulfide ore is processed via floatation circuit to generate marketable copper and zinc concentrates.

Cut-off Grade

The cutoff grade for material sent to the crusher is $15.16/tonne Net of Smelter for oxides and $14.55/tonne Net of Smelter for sulfides. These are “internal” cutoff grades because they correspond to the sum of the processing and G&A costs. The estimate of processing + G&A costs for oxides was $15.16/tonne and the estimate of processing + G&A costs for sulfides was $14.55/tonne.

Estimation Methodology

Mining dilution was accounted for in the block estimation process and no additional factor was added or applied to the block model.

Oxide gold recoveries have been calculated by an equation dependent on head grade. The maximum recovery for gold is 87.5%. Oxide silver recovery is estimated at 45%. Sulfide recoveries are dependent on the process stream entering either the zinc or copper concentrate. Sulfide gold recovery is estimated at 15.7%

in the zinc concentrate and 17.2% in the copper concentrate. Sulfide silver recovery is estimated at 21.5% in the zinc concentrate and 12.3% in the copper concentrate. Sulfide zinc recovery is estimated at 81.5% in the zinc concentrate. Sulfide copper recovery is estimated at 69.2% in the copper concentrate.

Material Modifying Factors

Gold and silver from the heap leach process will be produced in the form of dore and sent to refiners for separation. Sulfide ore will produce gold, silver, copper, and zinc to be sold as either copper or zinc concentrate. The metallurgical testing to date indicates that the gold-silver dore and both concentrates will be of marketable quality.

The project will require the development of a number of infrastructure items in order to operate. The current approach to the project is a combination of oxide heap leaching followed by sulfide flotation. Therefore, both heap leach facilities and tailing storage facilities will be required.

Most of the project area falls into forest land and will need forestry permits from the General Directorate of Forestry and Prime Ministry. The project as shown in the PFS will require a total 379.2 hectares of forest permit area over the life of the mining operation.

Appendix 2 - JORC Code Table 1

The following tables are provided to ensure compliance with the JORC Code (2012) edition requirements for the reporting of exploration results, Mineral Resources and Ore Reserves.

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• The deposit was sampled using diamond drilling and reverse circulation drill holes (RC). • Approximately 38% of the drill holes were RC and 62% were diamond drill core. There was approximately 58,000 m of drilling within the project area through August of 2015. • Diamond drill core was sawn in half and half was sampled at nominal 1 m intervals and split at geological contacts. • RC chip samples were collected in calico bags and chip box trays at 1 and 2 m intervals. Approximately 55% of the RC sample intervals were 2 m long.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	• The majority of the drilling is vertical, which intersects mineralization close to perpendicular to the mineralized trend. • Visually observed geological contacts and mineralization vein were used to select the beginning and end of the core sample intervals. • Sampling starts five meters above the mineralization in hanging wall rock and ends five meters below the mineralization in footwall rock. • The core was sawn in half, one half was sent to the laboratory for assaying and the second half stored at the core logging facility at the camp area. • RC chip samples were collected using a riffle splitter with a representative sample sent to the lab for assay. • 255 of the 487 drill holes have down hole survey measurements.
	Aspects of the determination of mineralization that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as*	• Drill hole samples were sent offsite to recognized and independent analytical laboratories for analyses. • Drill samples collected in 2013 were sent to the SGS laboratory in Ankara. In 2014 and 2015, samples were prepared and analysed at ALS İzmir, Turkey. Samples were prepared by drying, crushing and pulverizing to 75µm. The following assay methods were used for all samples sent to ALS

Criteria	JORC Code explanation	Commentary

	where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information.	laboratories.
		• Au-AA25 - Au Fire Assay
		  • A prepared sample with a 30g charge is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, then cupelled to yield a precious metal bead. The bead is digested in dilute nitric acid, then concentrated hydrochloric acid to further digest. The solution is cooled, diluted with water, and analyzed by atomic absorption spectroscopy (AAS) using matrix-matched standards.
		ME-ICP61 of 33 elements including Ag, Cu, Pb and Zn (4 Acid Digest; Atomic Emission Spectroscopy Finish)
		  • A prepared sample is digested with perchloric, nitric, hydrofluoric and hydrochloric acids. The residue is topped up with dilute hydrochloric acid and the resulting solution is analyzed by inductively coupled plasma-atomic emission spectrometry (ICP-AES).
		
		The following assay methods were used for samples sent to SGS
		FAA 303 - Au by Fire Assay
		  • A 30g pulverized sample is weighed and mixed with a fluxing agent. The sample is heated in a furnace and then cupelled. The button is crushed and dissolved in hyrochloric acid, then filtered. Sample is diluted with water and analyzed by AAS.
		ICP40B of Ag-Cu-Pb-Zn (4 Acid Digest; Atomic Emission Spectroscopy Finish).
		  • A prepared sample is digested with perchloric, nitric, hydrofluoric and hydrochloric acids. The residue is topped up with dilute hydrochloric acid and the resulting solution is analyzed by ICP-AES.

Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond core drilling at Gediktepe is predominately PQ size (85 mm) with 37.5% being HQ (63.5 mm). • For RC drilling, a face sampling bit (121 mm) was used. • Nine geotechnical core holes were drilled with core orientations collected for slope stability investigation by Fugro Sial.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	• Recoveries from core drilling were measured and recorded in Excel. Core recovery averaged 89% with higher core loss in oxide mineralization.

Criteria	JORC Code explanation	Commentary
		• For each RC sample, rejects were weighed to check sample recovery.
	Measures taken to maximize sample recovery and ensure representative nature of the samples.	• Diamond drilling used drill muds to maximize recovery. • RC drilling rates were reduced in broken ground.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Gold, silver, copper and lead grades show a general increase in grade as sample recovery decreases. Zinc assay grades fluctuate by recovery but does not show a trend. • Average core recovery is 89%. Drilling within the sulphide zone has a high recovery. Lower core recovery (<50%) is experienced in oxide zone which can be as low as 4%.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Drill core was logged for lithology, alteration, mineralization, oxidation state and structure. • RC cuttings were logged for geological attributes including rock type, visible minerals, alteration and oxidation. • Rock Quality Designation (RQD) and Rock Mass Quality (RMQ) logs were collected in geotechnical holes. • Logging is considered sufficient to support geologic modelling and Mineral Resource estimates.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	• Geologic rock types, alteration and structure (for core) were recorded based on visual determination. • Diamond core and RC chip samples are digitally photographed with images saved on the company server. RC chips are stored at the logging facility.
	The total length and percentage of the relevant intersections logged.	• All recovered drill hole intervals were logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	• Diamond core was cut in half using an electric core saw in competent ground and hand split in unconsolidated material to geological contacts.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	• RC samples were collected at the rig using a riffle splitter. RC drill depths ranged from 20 to 157 meters deep with an average depth of 69 meters. RC drilling is located at the fringes of the mineralization. Core holes define the main mineralized body. • Ground water was encountered in most of the RC holes, with roughly a third of the RC drill meters above the water table and two-thirds drilled below as wet samples.

Criteria	JORC Code explanation	Commentary
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	• Industry standard diamond and RC drilling techniques were used and are considered appropriate for use in Mineral Resource estimation.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	• For RC drilling, sample quality was maintained by monitoring sample volume and by cleaning and drying the splitters on a regular basis. • The rotary cone sample splitter on the RC rig was adjusted to maintain a representative sample volume.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	• A select number of pulps were chosen for duplicate samples, both from RC and diamond drilling during the years of 2013 and 2014. Samples were submitted to the same lab for analysis. • In the 2015 program, field duplicates were obtained from RC drilling by collecting a second sample split. A quarter sample was used for diamond drilling as a duplicate. Duplicates are collected approximately every 25th interval. Samples were submitted to the same lab for analysis.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	• Sample sizes are considered appropriate to the gold mineralization based on: the style of mineralization, the thickness and consistency of the intersections, the sampling methodology, and assay value ranges for gold.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• The fire assay gold analysis is considered to be a total assay method. Multi-element analyses of silver, copper, lead and zinc undertaken by four acid digestion via ICP-AES are considered total assay methods except where they exceed the upper detection limit. • Upper detection limits are: 10 ppm for Ag, 100 ppm for Au, 10,000 ppm for Cu, Pb and Zn. Over limit samples are reanalysed at the same laboratory.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	• XRF instruments were used in massive pyrite zones for holes DRD-082 to DRD-160.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Industry standard certified reference materials (CRMs) and blanks were utilized in order to check laboratory assay quality control. A number of different standards and blanks from Geostats Pty Ltd and Rock Lab were used for this purpose. The insertion rate for CRMs is 1 in 20 for gold. For Cu, Zn and Ag there was a total of 244 standards

Criteria	JORC Code explanation	Commentary
		submitted out of 31,495 total assays. • Overall relative bias for the CRMs is within an acceptable 5%. Of the 1,572 submitted standards for gold, about 2% are more than 10% different from the original value. • A total of 1134 blank samples were used, resulting in an inserted rate of 1 in 28. Blank sample results do not indicate any sample contamination issues. • Gold assay results are acceptable for use in supporting Mineral Resource estimates. Limited QA/QC exists to support Ag, Cu, Pb or Zn assays.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	• Intersections are reviewed by the senior geologist following receipt of assay results. Drill intersections are hand plotted on paper sections and compared to surrounding drilling. If warranted, follow-up drill holes are planned according to the location of significant intersections. • 269 pulp check samples were sent to Acme Lab and SGS to confirm the original assay results provided by ALS Lab. The third party check samples indicate that the ALS results are in acceptable range with the 95% confidence level.
	The use of twinned holes.	• At three locations, holes spaced 2-3 meters apart were drilled in order to compare RC and diamond drill assay results. The diamond drill results are slightly higher then RC assay results.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	• Drill data is stored within Excel files. Data verification occurs during the resource model update process. Down-hole surveys are collected by the contracted drill company and entered into a spreadsheet. Assays from the laboratory are received electronically and stored within a combined Excel file. Laboratory certificates are available from the start of the project in 2013.
	Discuss any adjustment to assay data.	• During the year of 2013 to end of 2014, duplicate assays from the lab were averaged in the assay file. In the 2015 drilling program the first assay of the field duplicate was used as a duplicate assay.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Gediktepe drill hole collar locations were surveyed by a local contract surveyor firm using Total Station and di-GPS instruments. All drill hole collar locations were surveyed after the hole was drilled.

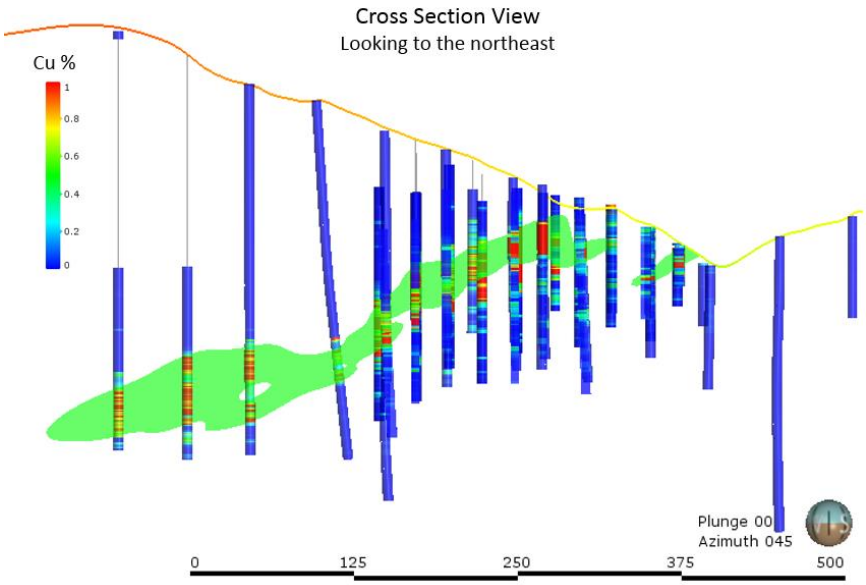
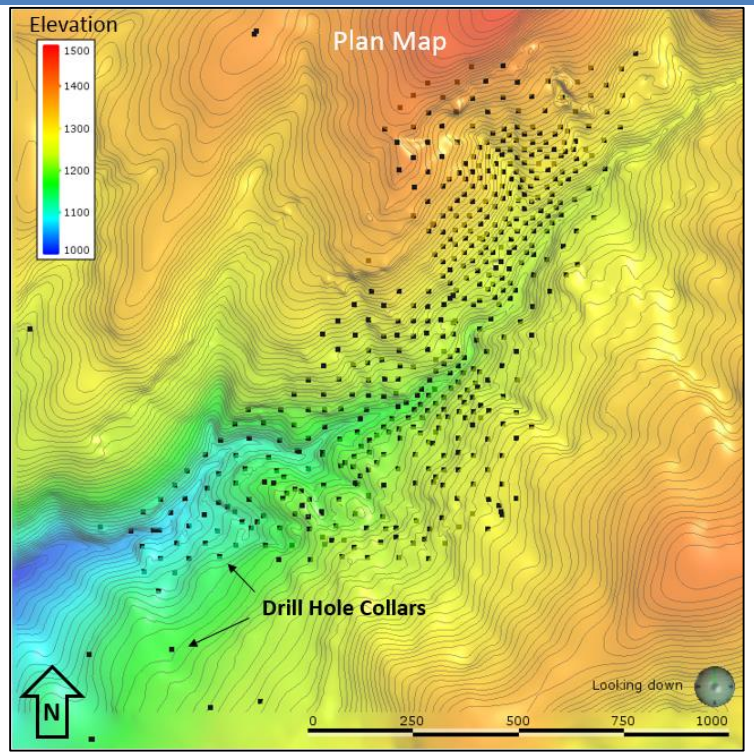
Criteria	JORC Code explanation	Commentary
		• Down hole surveys were performed on core holes with a Devico reflex device. RC drill holes were not down hole surveyed. Eight holes of the initial 11-hole program were angle holes. The rest of the holes are vertical or sub-vertical.
	Specification of the grid system used.	• The project coordinate system is the Universal Transverse Mercator (UTM) system, European Datum 1950, Zone 35.
	Quality and adequacy of topographic control.	• Topographic surface obtained from ground surveys. Topographic contours are at 5 m intervals. • A satellite image and topographic contour map of the Gediktepe project area was collected in August of 2014.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	• Drill hole spacing in Gediktepe varies from 25 m to 50 m centres.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	• Drill spacing is adequate to define the geological and grade continuity for Mineral Resource estimation. Resource classification has taken into account drill spacing.
	Whether sample compositing has been applied.	• Sample lengths within the drill data set are not composited. Sample compositing was applied to the data set used for statistical analysis and Mineral Resource modelling.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Drill orientation is predominately vertical within the deposit which delineates the low-angle mineralized body dipping to the northwest. • Interpreted geologic structures range from vertical to low angle based on lithologic offsets and relative position of mineralized bodies. • Interpreted structures are accurate to the distance of the drill spacing.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• No orientation-based sampling bias has been identified to date.
Sample security	*The measures taken to ensure sample security.*	• Chain of custody is managed by Polimetal. • Samples are stored on site near the logging facility until collected for transport to the analytical laboratories. • Polimetal personnel have no contact with the samples once they are picked up for transport to the laboratory.

Criteria	JORC Code explanation	Commentary
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	• Independent Mining Consultants (IMC) performed a Gediktepe drill data analysis in December 2014 and September 2015 with a site inspection in 2014. Sample preparation procedures were not included within the IMC scope of work. • IMC is of the opinion that the QA/QC indicates the information collected is acceptable, and the database can be used for Mineral Resource estimation.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• The Gediktepe project is located in Western, Turkey in the Balikesir province. Gediktepe mining licenses are held by Lidya Mining (50%) and Alacer Gold (50%). • Polimetal Madencilik Sanayi ve Ticaret A.Ş. (Polimetal), was formed in 2011 as a joint venture company between Lidya Mining (Lidya Madencilik San. ve Tic. A.Ş.) (50%) and Alacer Gold (50%). • The property consists of two operational licenses and an exploration license totalling 1967.87 hectares.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The licenses are in good standing with no known impediment to the granted permit.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	• Alacer Gold Company initially found Gediktepe and obtained the first exploration license in 2005. • Phase 1 drilling began in 2013 with advanced drill programs carried through 2014 and 2015.
Geology	*Deposit type, geological setting and style of mineralization.*	• The Gediktepe deposit is a Massive Sulphide (MS) type ore deposit hosted in schists. Minerals of interest include gold, silver, copper, lead and zinc. • Upper Paleozoic aged metamorphics are the most common units consisting of quartz-feldspar schist, chlorite-sericite schist and quartz schist. Miocene volcanics are also present as lava flows and pyroclastics. Gold bearing gossan occurs near surface. • Mineralization is largely contained within the chlorite-sericite schist. In oxide it follows gossan bodies and in the sulphide portion mineralization is within massive pyrite. Elevated copper grades are locally found within small enriched zones of chalcocite.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth*	• Drill hole collar locations, azimuths, inclinations, down-hole sample lengths and hole depth are recorded for all holes. • The tabulation of the drill hole collar information has been previously released in Alacer announcements “Alacer Announces Exploration Results in Turkey”, dated February 24, 2014 and September 14, 2014, on the Corporation’s website at www.alacergold.com, on SEDAR at www.sedar.com or on ASX at www.asx.com.au. • Drill intercepts from 487 RC and core holes with a drill spacing of 25 m to

Criteria	JORC Code explanation	Commentary
	○ *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	50 m were used to support the Mineral Resource estimate.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Exploration results are not being reported in this press release. • For the resource model, gold assay intervals were capped at a range from 2 g/t to 30 g/t depending on the lithologic domain. Zinc capping ranged from 0.5 to 15%, copper ranged from 0.6 to 10%, and silver ranged 32 to 1000 g/t by lithologic domain. • Capped intervals were then composited to 2.5 m down-hole composites for use in Mineral Resource estimations. Composite boundaries respected interpreted rock – domain boundaries.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	• Exploration results are not being reported in this press release. • Intercepts included in the Mineral Resource estimate are capped and composited samples.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Resources are reported by metal - gold, silver, copper and zinc.
Relationship between mineralization widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Mineralization dips to the northwest, on average 20 degrees. Aside from a few angled holes, drilling is vertically oriented. Mineralized intercept lengths are slightly longer than true mineralized widths.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Gediktepe resource estimation utilized 487 drill holes spaced at 25 to 50m centres. Mineralization extends over 1200 m along the central valley and dips to the northwest at about 20 degrees.

Criteria	JORC Code explanation	Commentary
		
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Exploration Results are not being reported. • Mineral Resources and Ore Reserves are detailed in this press release.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Surface geochemical sampling was completed between 2012 and 2014. • Ground based geophysical surveys were conducted in 2013 and included magnetic and induced polarization. Collective analysis indicates that low resistivity combined with high magnetic response coincides with a higher grade zone of mineralization. • Bulk density, metallurgical results and deleterious elements for Gediktepe are detailed in Section 3 below.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• A further drilling program of 7,000 metres for Gediktepe is planned to reduce areas with 50 m drill hole spacing to 25 m, test the NE mineralized extension potential, and sterilize ground for proposed project facilities.

Criteria	JORC Code explanation	Commentary
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• The majority of the mineralization is contained within the resource conceptual pit shell; however, mineralization is open to the northwest and may encourage drill testing of underground targets.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• A data audit by IMC occurred during December 2014 and in September 2015. The audit compared certificate of assays to values contained in the resource model data set. Logs for lithology, bulk density and RQD were not checked. • During a site visit by IMC in 2014, field locations for 12 historic drill collars were collected and compared to the recorded coordinates. Down-hole surveys were not validated. • Plots of drill holes, geology, and assay values are generated by the project geologist who reviews them on an on-going basis. During Mineral Resource model updates, lists of suspect information are sent to the project geologist to review, confirm or correct.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• John Marek from IMC performed a site visit in July, 2014. John Marek is a Registered Member of the American Institute of Mining and Metallurgical Engineers. Mr. Marek is the competent person for the Mineral Resource model and reporting. He supervised mine engineering work and process reporting in support of the assessment of reasonable prospects of eventual economic extraction for the Mineral Resource estimate.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geologic model is considered a reliable estimate of the logged geology. • The data used for the geologic model included a combination of core and RC drilling. Interpreted wireframes were completed by Polimetal geology staff and reviewed by IMC. Wireframes were interpreted to a distance beyond the resource shell. • Effects of alternative geologic models were not tested. • Lithologic units are used as the basis for modelling domains and grade capping. In the case of gossan, the unit was broken into a low and high grade component. • An oxidation surface was generated and applied to the resource model to discriminate oxide from sulphide.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Gediktepe Mineral Resource pit shell extends 1,500 m in the north/south direction by roughly 700 m east/west. The maximum depth of the conceptual pit shell is roughly 300 m thick when compared to original topography.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Mineralized zones were defined by the interpreted seven domain boundaries (High and low gossan, oxide material without gossan, massive pyrite, massive pyrite magnetite, enriched zone and transition zone). Gold, silver, copper, lead, zinc, arsenic, and mercury were estimated within the model for cash flow, process blending, and environmental consideration. • Seven domains were used for capping studies and honoured as hard contacts during the grade estimate of each variable. Drill hole assays were first capped by domain and then composited to 2.5 m intervals for statistics and grade estimation. Cap grades varied by metal and domain. • Drill hole spacing varies from 25 m to 50 m. A block model was created for the Gediktepe Project area using a parent block size of 10 m by 10 m by 2.5 m RL in all areas. The block size is considered appropriate for the mining equipment and the proposed 5 m bench height in waste. Down to 2.5 m vertical separation is proposed for ore benches. The model is rotated 45 degrees to align with the strike of the orebody and drill orientation. • Exploratory data analyses (EDA) showed that there is typically a substantial change in gold grade between the oxide and sulphide zone. Within the sulphide zone, copper and zinc show higher assay grades within the massive pyrite. • The model was divided into a north and south zone to accommodate a rotation in the mineralized orientations. Search orientations for the ellipse change based on the two zones. • Ordinary kriging was used to interpolate all elements. All grade estimate runs used a maximum of 10 composites and a minimum of 1 composite. A maximum of 3 composites per drill hole was used. • Model validation included visual comparison of drill hole results to estimated grades, bias check of the model mean grade to a nearest neighbor estimate, swath plots by elevation and composite grade distribution within each domain.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated using dry density measurements.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Cut-offs vary by processing method. The oxide cut-off grades were based on the income net of refining of $11.70/tonne combining the values of gold and silver. Sulfide cut-off grades for the resource were based on a net smelter return (NSR) of $15.67 combining the benefits of

Criteria	JORC Code explanation	Commentary

gold, silver, copper, and zinc.

- Oxide ore will be processed through a heap leach facility and sulfide material will be treated through a proposed float plant to generate marketable copper and zinc concentrates.
- Mineral Resource tabulations have been categorized by oxide or sulfide material, NSR cut-off and by Mineral Resource classification.
- Mineral Resources were calculated based on the following metal prices: $1,200/oz for gold, $3.00/lb copper, $1.20/lb zinc and $18/oz silver. The Resource conceptual pit shell was generated using the floating cone algorithm to demonstrate material meets the reasonable prospects for eventual economic extraction criteria required for reporting Mineral Resources.
- Economic parameters for the Mineral Resource were: mining cost of $1.47/tonne mined. Oxide ore processing of $6.92/tonne ore plus $4.78/tonne Administrative. Sulfide ore processing cost set at $10.89/tonne ore. Pit slopes were 48-degree angle.

Process Recoveries for the Resource Determination were:

Oxide Ore			
Gold: 65.921% *(Au grade g/t)^.2314 (87.5% max)			
Silver: 45%			
Sulfide Ore			
Metal Recovery to Copper Concentrate:		Metal Recovery to Zinc Concentrate:	
Copper:	69.20%	Zinc:	81.50%
Gold:	17.20%	Gold:	15.70%
Silver:	12.30%	Silver:	21.50%

TCRC Costs and Recoveries for the Resource Determination were:

Criteria	JORC Code explanation	Commentary
		<table><tr><td colspan="2">Oxide Ore</td></tr><tr><td>Gold Pay: 99%</td><td>Silver Pay: 98%</td></tr><tr><td>Gold Transport: $5.00/oz.</td><td>Silver Transport: $0.50/oz.</td></tr><tr><td colspan="2">Sulfide Ore</td></tr><tr><td>Copper Conc Terms Cu Grade of 30.95%</td><td>Zinc Conc Terms Zn Grade of 54.3%</td></tr><tr><td>Copper: pay lesser of 96.5% or Cu Content less 1% Gold: pay lesser of 90% or Au Content less 1 g/t Silver: pay lesser of 90% or Ag Content less 30 g/t Treatment Charge: $85.00/ dry tonne Refining Charges: Cu: $0.085/lb Au: $5.00/oz Ag: $0.40/oz Assume conc. contains 9% water Ocean Freight: $40.00/wet tonne Port Charge: $10.00/wet tonne Land Freight: $14.10/wet tonne Insurance: 0.088% of CIF</td><td>Zinc: Pay 85% of Zinc Content Gold: Pay 70% of (Gold Content less 1 g/t) Silver: Pay 70% of (Silver Content less 93.3 Treatment Charge: $259.80/dry tonne escalator of $0.10/dollar zinc price above $1850/t de-escalator of $0.14/dollar zinc price below $1850/t Assume conc. contains 9% water Ocean Freight: $45.00/wet tonne Port Charge: $10.00/wet tonne Land Freight: $14.10/wet tonne Insurance: 0.11% of CIF</td></tr></table>
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Gediktepe will be a mined by conventional open pit hard rock mining methods. Polimetal plans to utilize a contract mining company to move ore and waste. • Mine geometries have been designed with the assumption that mining will be by a Turkish contractor with 3-4 m^3 backhoes and 35 tonne trucks. • Minimum mining width is approximately 70m.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Majority of the testwork completed was by Resource Development Inc. (RDi). Confirmation heap leach testwork was performed at SGS Mineral Services UK Limited. • Refer to the discussion of cut-off parameters for the process recovery information used in the determination of the mineral resource.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields*	• A waste storage area located east of the pit was selected by project team members. Geotechnical guidance was provided by Fugro Sial based on site investigations. An overall slope angle of 21.8 was applied. • Oxide ore will be placed within a lined heap leach facility. All process residue will be contained within the heap leach and oxide ore process facilities.

Criteria	JORC Code explanation	Commentary
	project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• Sulfide ore tailings will be placed within a lined tailings storage facility. • A geochemical characterization program by Golder assessed the environmental stability of both ore and waste rock for acid rock drainage and metal leaching potential. • The Environmental Impact Assessment (EIA) was compiled by SRK and submitted to the Ministry of Environment and Urbanization on December 15, 2015. A revised EIA report was re-submitted in February 2016 which contained additional information requested by the Water and Sewage Administration of Balikesir Municipality.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density determinations are made on selected diamond drill samples using the wax coated water displacement method by site geologists. Tonnages are estimated on a dry basis. • A total of 5,587 bulk density measurements classified by lithologic unit were available for review. Density values were assigned to the block model by rock type. A factor was not applied to account for void spaces or moisture differences. Alteration is considered based on rock type such as gossan and relative depth with respect to deposit stratigraphy. Density values were incorporated into the Mineral Resource model. • Density data are considered appropriate for use in Mineral Resource and Ore Reserve estimation.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources were classified based on the number of composites used to estimate a block and the average distance between the block centre and all composites used to estimate the block. • Declaration of Indicated Mineral Resources required blocks to be estimated with four or more composites and having an average distance to the closest composite less than 75 meters. A block was also indicated if the block was within the sulphide mineralized unit with three composites used during the estimation and less than 75 meters to the closest composite. Measured blocks required gold grade estimation using the maximum number of composites and the average distance to the closet composite of 35 meters or less. Remaining blocks were classified as Inferred Mineral Resources. • Results reflect the Competent Persons' view of the deposit.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• An audit of the Mineral Resource estimate has not been preformed. A general review of the geologic model and estimated grade with available drilling was made by Alacer Gold. Overall, the model accurately

Criteria	JORC Code explanation	Commentary
		represents available information. Model improvements may occur with the drilling of angle holes, investigation of assay over-limits, addition of a structural model, and confirmation of density values in gossan. • IMC has recommended further work to improve exploration drilling QA/QC and the adjustment of drill data management practices.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Estimated grades were compared to a nearest neighbour model to check for global bias. The largest bias was seen when comparing the silver estimate in the low grade gossan. The bias obtained by metal and domain were considered within acceptable ranges. • Local trends in the grade estimates were identified by plotting the mean values from the nearest neighbour estimate versus the kriged results for Indicated blocks in a vertical swath. All metals show a similar profile between the OK and NN estimate. The largest variance was silver around the 1200 m elevation. • The Mineral Resource is considered suitable globally for technical and economic evaluation with industry accepted estimation practices applied.

Section 4 Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Gediktepe deposit will be mined by conventional open pit hard rock mining methods. The mine plan and ore reserve was developed by Independent Mining Consultants, Inc. (IMC) with John Marek acting as the Competent Person for the Ore Reserve. • The Ore Reserve was based on the resource block model that was outlined in Section 3. • The Ore Reserve is the total of all proven and probable category material that is planned for production and processing within the Gediktepe prefeasibility study and mine plan • The Gediktepe mine will have an oxide heap leach process facility initially followed by a sulfide flotation plant that will be commissioned in year 3. Both processes are in operation during year 3, after which the oxide ore is depleted and the heap leach operation halted. • The open pit mine plan was developed on an annual basis to supply oxide ores for 3.1 years initially and sulfide ore to the sulfide mill for roughly 10 years. • The mineral resource includes the stated ore reserve.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• John Marek from IMC performed a site visit in July, 2014. John Marek is a Registered Member of the American Institute of Mining and Metallurgical Engineers. Mr. Marek is the competent person for the Ore Reserve reporting.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• The Ore Reserve estimate is based on a pre-feasibility study of the Gediktepe mine. • The mine plan and process plant designs incorporate all necessary modifying factors necessary to establish the mine plan and the statement of Ore Reserves
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• The cut-off grades were developed in terms of income net of refining for the oxide ores and income net of smelting for the sulfide ores. Both will be referenced with the initials NSR (net smelter return). • The calculated NSR values incorporate process recoveries, and smelting and refining losses when calculating payable metal.

Criteria	JORC Code explanation	Commentary
		• The NSR cut-off grades are based on the processing costs inclusive of administration costs.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• Open pit mine plans were guided by the results of the floating cone algorithm. However, open pit mine plans and schedules include all mine haulage roads and assure proper operating room for the open pit equipment. • The oxide component of the Gediktepe deposit nearly outcrops. Consequently, surface mining is the logical choice of mining method. Production of the oxide ore removes a significant amount of material from above the sulfide ore so that transition to sulfide ore will be a continuous open pit operation. • Bench heights will nominally be 5m. However, the back hoe excavators will have the ability to split the bench to 2.5m when additional selectivity is required. Additional sampling and assaying has been budgeted to utilize 2.5m bench heights when required. • Mining dilution was incorporated into the resource block model, so no additional factor was added. • All proven and probable class ore above cut-off within the mine plan is scheduled for production. No specific mining recovery factor was necessary or applied. • Pushback widths were nominally 100m wide. • Inferred mineralization was treated as waste within the prefeasibility mine plan and Ore Reserve. • Infrastructure required includes: heap leach plant, sulfide flotation plant, tailing storage, power line to site, road relocation to site, water treatment facility, mine camp and mine site offices.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.*	• Two metallurgical processes will be used at Gediktepe. The oxide ores will be processed at 3,000 tpd by cyanide heap leach methods to produce the gold and silver. The low grade contained copper and zinc in the oxide zone will not be recovered. The sulfide ores will be processed at 6,500 tpd by sulfide flotation. • The oxide testing included: gravity separation, bottle roll tests, and multiple column leach tests at a range of crush sizes and residence times. Gravity processing was rejected. Sufficient column testing has been completed to establish a 3 stage crush circuit for a P80 of 19mm feed to the heap leach and to support the recovery estimates used to establish the mine plan and economic analysis.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.
For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</td><td>Gold and silver will be produced using the Merrill Crowe process. If the precipitate has high amounts of copper, it will be leached with sulfuric acid to remove the copper. The filtrate tails will be sent to the tailing pond in years 3 and 4 and to the clarifier backwash during years 1 and 2.
The sulfide testing includes: comminution studies, rougher and cleaner flotation tests, copper –zinc separation tests, locked cycle flotation tests. The selected flow sheet utilizes a pre-float to separate fiberous silicates (talc) from the feed followed by copper flotation and zinc flotation. The pre-float enables a clean separation between copper and zinc concentrates. The flotation process was sufficiently planned to establish the recovery estimates, concentrate quality and set equipment sizes for cost estimation.
The extensive core sampling has provided sufficient material for process testing. Pilot scale testing has not been done at this stage of the project.
Sufficient locked cycle testing has been done to confirm that the concentrates are marketable with no deleterious elements in the concentrate.
Oxide and Sulfide process plant recoveries are summarized below:<table><tr><th colspan="4">Oxide Ore</th></tr><tr><td colspan="4">Gold: 65.921% *(Au grade g/t)^.2314 (87.5% max)
Silver: 45%</td></tr><tr><th colspan="4">Sulfide Ore</th></tr><tr><td colspan="2">Metal Recovery to Copper Concentrate:</td><td colspan="2">Metal Recovery to Zinc Concentrate:</td></tr><tr><td>Copper:</td><td>69.20%</td><td>Zinc:</td><td>81.50%</td></tr><tr><td>Gold:</td><td>17.20%</td><td>Gold:</td><td>15.70%</td></tr><tr><td>Silver:</td><td>12.30%</td><td>Silver:</td><td>21.50%</td></tr></table></td></tr>
<tr><td>Environmental</td><td>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</td><td>Environmental studies include: Base line studies acid rock drainage, metals leaching, air quality, water quality, flora and fauna. The majority of the waste rock will be chemically inert. Waste rock that is close to ore will contain pyrite and is potentially acid generating. Additional testing is underway to establish the requirements for a waste placement plan. During the mine life and after, contact water from the waste storage area will be channelled to the tailing facility where it can be treated as required with any tails seepage.
The EIA permit is in progress. All other permit requirements have been</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		identified. Applications are either in progress or preparation is in progress to meet all permit requirements.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• Gediktepe is currently a green-field project and limited infrastructure exists. Infrastructure is planned for construction with this project. • Infrastructure designs have been completed and cost estimated to a pre-feasibility level for: power, water, access roads, mine buildings and facilities, water diversion and storage facilities, heap leach facility, waste storage and tailing facility. A camp area has been designated and a construction camp will be built for the construction periods of the project. Mine workers will live in nearby villages or be transported from Bigadic. • A project execution plan has been developed that includes all of these infrastructure items plus those tasks required for mining and processing.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• Costs estimates are generally consistent with prefeasibility study accuracy of 20 to 25%. One component of heap leach earthwork is not that accurate because geotechnical drilling was not complete at the time of the study completion. • Capital and operating costs were estimated from first principals. Mine operating and capital costs were based on contractor quotes provided by contractors based on the prefeasibility mine plan. • Process plant capital costs were based on basic engineering to a Class 3 level to establish requirements for all construction materials. Cost estimation included allowances for site delivery and construction. All major components were identified in the design and cost estimation process. • The contingency was estimated for each major cost component. Some items required 20% contingency and some civil earthworks required more. On average a 22% contingency was added to project capital • Process plant operating costs were based on the reagent requirements, power requirements, and labor requirements determined from the process testing and flow sheet development. All operating cost components were identified and estimated with local rates for energy and labor. • General and Administration costs were estimated to include all operating costs associated with the project that are not directly related to mining or processing including: management, purchasing, human

Criteria	JORC Code explanation	Commentary
		relations, environmental, etc. • As noted earlier, copper may concentrate in the Merrill Crowe precipitates. The cost for a copper vat leach has been include. • Lock cycle testing did not find deleterious elements in concentrates. Concentrate treatment charges were based in recent smelter quotes without penalty. • The exchange rate for Turkish Lira to the dollar was 3.00 TL/USD. • Transportation costs for concentrates and supplies were based on local quotes obtained by Polimetal. • Royalties to the Turkish government were incorporated. There is a 4% royalty on NSR-process and G&A Costs. That is increased by 30% on forestry lands and reduced 50% for operations that produce dore or concentrate on site. The net result is a 2.6% royalty.
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• Metal prices that were used to set the mineral reserve were: • $1,000/oz gold, $2.50/lb copper, $15,00/oz silver, and $1.00/lb Zinc. • Metal prices were later modified for the financial analysis to be: • $1,250/oz gold, $2.75/lb copper, $18.25/oz silver, and $1.00/lb zinc. The prices above are similar to the 3-year backward average on the date of the study completion. • Concentrate transport and treatment charges were based on quotes obtained by Polimetal. The TCRC costs and payable metals are summarized below:

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		<table><tr><th colspan="2">Oxide Ore</th></tr><tr><td>Gold Pay: 99%</td><td>Silver Pay: 98%</td></tr><tr><td>Gold Transport: $5.00/oz.</td><td>Silver Transport: $0.50/oz.</td></tr><tr><th colspan="2">Sulfide Ore</th></tr><tr><td>Copper Conc Terms Cu Grade of 30.95%</td><td>Zinc Conc Terms Zn Grade of 54.3%</td></tr><tr><td>Copper: pay lesser of 96.5% or Cu Content less 1% Gold: pay lesser of 90% or Au Content less 1 g/t Silver: pay lesser of 90% or Ag Content less 30 g/t Treatment Charge: $85.00/ dry tonne Refining Charges: Cu: $0.085/lb Au: $5.00/oz Ag: $0.40/oz Assume conc. contains 9% water Ocean Freight: $40.00/wet tonne Port Charge: $10.00/wet tonne Land Freight: $14.10/wet tonne Insurance: 0.088% of CIF</td><td>Zinc: Pay 85% of Zinc Content Gold: Pay 70% of (Gold Content less 1 g/t) Silver: Pay 70% of (Silver Content less 93.3 Treatment Charge: $259.80/dry tonne escalator of $0.10/dollar zinc price above $1850/t de-escalator of $0.14/dollar zinc price below $1850/t Assume conc. contains 9% water Ocean Freight: $45.00/wet tonne Port Charge: $10.00/wet tonne Land Freight: $14.10/wet tonne Insurance: 0.11% of CIF</td></tr></table>
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• Gold and silver will be produced in the form of doré bars and sent to refiners for separation. The market for gold and silver is robust. Prices used for the reserve forecast are stated above in "Revenue factors". • Ore Reserve estimates use long term metal price assumptions. Supply and demand are not considered material to the Ore Reserve calculations. Long term metals prices were developed from published forecasts from multiple sources.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• All operating and capital costs as well as revenue streams were included in the financial model. Capital costs have been prepared to a Class 3 cost estimate as defined by the Association for the Advancement of Cost Engineering (AACE). This process has demonstrated that the Ore Reserves can be processed yielding a positive net present value (NPV). Sensitivity was conducted on capital costs, operating costs, metals prices. The project is less sensitive to changes in capital and operating costs than to changes in metal prices. The project base case ROI is 46.5%. A reduction of all metal prices by 30% (70% revenue factor) results in a project ROI of roughly 21%.

Criteria	JORC Code explanation	Commentary
Social	• *The status of agreements with key stakeholders and matters leading to social license to operate.*	• The Company practices open and informed consultations with local communities and stakeholders under International Finance Corporation (IFC) guidelines. There are no formal agreements with stakeholders.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• The project is under development and has all permits that are currently necessary. The EIA application was submitted during February 2016 and will be required before construction and can proceed. • The license to the property from the Turkish government has been issued as an "operating license". However, a number of permits inclusive of the EIA will be required prior to construction. • All natural risks including seismic risk have been identified and are included with appropriate safeguards in the project design criteria.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• Indicated Mineral Resources were classified as Probable Ore Reserves after consideration of the appropriate modifying factors. • Measured Mineral Resources were classified as Proven Ore Reserves after consideration of all appropriate modifying factors. • Results reflect the Competent Person's view of the deposit. • No Measured Mineral Resources are included in the Probable Ore Reserves category. • Inferred mineral resources are not included in the Ore Reserves and are treated as waste in the prefeasibility mine plan.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• No audits or reviews were conducted.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed*	• John Marek from IMC performed a site visit in July, 2014. John Marek is a Registered Professional Mining Engineer in the State of Arizona and Professional Engineer in the State of Colorado, USA. Messrs Marek is the competent person for the Ore Reserve estimate. • The accuracy of the estimates within this Ore Reserve are mostly determined by the order of accuracy associated with the Mineral Resource model, metallurgical input, and long-term cost adjustment

Criteria	JORC Code explanation	Commentary
	appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	factors. • Some risk is associated with: ○ Long term site costs may increase with time. ○ Long term metals pricing may change. ○ Changes in current environmental regulations may affect the operational parameters (throughput, cost, mitigation measures). ○ Geotechnical risks due to unforeseen geologic conditions in the pit walls and/or seismic events. ○ The Ore Reserve estimate is a global estimate of the Gediktepe project and is supported by the pre-feasibility study. ○ The Ore Reserve model was checked for global and local bias as stated in the Mineral Resource section.